



DEPARTMENT OF COMMERCE  
Foreign-Trade Zones Board  
(B-57-2021)

Foreign-Trade Zone (FTZ) 75 – Phoenix, Arizona  
Notification of Proposed Production Activity  
VIAVI Solutions, Inc.  
(Optically Variable Pigments)  
Chandler, Arizona

VIAVI Solutions, Inc. (VIAVI) submitted a notification of proposed production activity to the FTZ Board for its facility in Chandler, Arizona. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on July 29, 2021.

A separate application has been submitted for FTZ designation at the company's facility under FTZ 75. The facility is used for the production of optically variable pigments. Pursuant to 15 CFR 400.14(b), FTZ activity would be limited to the specific foreign-status materials and components and specific finished products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt VIAVI from customs duty payments on the foreign-status components used in export production. On its domestic sales, for the foreign-status materials/components noted below, VIAVI would be able to choose the duty rate during customs entry procedures that applies to optically variable pigments and optically variable magnetic pigments (duty rate 3.1%). VIAVI would be able to avoid duty on foreign-status components which become scrap/waste. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The components and materials sourced from abroad may include: 15% virgin magnesium fluoride; magnesium fluoride condensate; magnesium fluoride with

aluminum; aluminum wire; aluminum granules; chrome granules; stainless wire; polyethylene terephthalate film; optically variable pigments; and, optically variable magnetic pigments (duty rate ranges from duty-free to 5%). The request indicates that polyethylene terephthalate film is subject to an antidumping/countervailing duty (AD/CVD) order if imported from China. The FTZ Board's regulations (15 CFR 400.14(e)) require that merchandise subject to AD/CVD orders, or items which would be otherwise subject to suspension of liquidation under AD/CVD procedures if they entered U.S. customs territory, be admitted to the zone in privileged foreign (PF) status (19 CFR 146.41). The request also indicates that certain materials/components are subject to duties under Section 232 of the Trade Expansion Act of 1962 (Section 232) or Section 301 of the Trade Act of 1974 (Section 301), depending on the country of origin. The applicable Section 232 and Section 301 decisions require subject merchandise to be admitted to FTZs in PF status.

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary and sent to: [ftz@trade.gov](mailto:ftz@trade.gov). The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection in the "Reading Room" section of the Board's website, which is accessible via [www.trade.gov/ftz](http://www.trade.gov/ftz).

For further information, contact Diane Finver at [Diane.Finver@trade.gov](mailto:Diane.Finver@trade.gov) or (202) 482-1367.

Dated: August 6, 2021.

Andrew McGilvray,  
Executive Secretary.